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THE PRESIDENT HAS SEEN *AS*

THE WHITE HOUSE
WASHINGTON
September 30, 1974

MEMORANDUM FOR THE PRESIDENT

FROM: William E. Timmons *WT*
SUBJECT: Senate Democrats

Attached is a letter from Mike Mansfield reporting the results of a recent Majority Conference. You will note the Democrats outlined an agenda for "anti-inflation, counter recession".

2 copies
J

I do not feel a formal reply is required to this communication.

A copy has been sent to Bill Seidman for his consideration.



United States Senate
Office of the Majority Leader
Washington, D.C. 20510

September 12, 1974

The President
The White House
Washington, D. C.

Dear Mr. President:

At a regular Majority Conference of Democratic Senators this morning, the economic situation was discussed at length and a resolution was adopted outlining an agenda of seven areas of relevance which the group believed should form the basis of an effective integrated anti-inflation, counter-recession program. The Conference directed me to communicate this list to you for examination and transmittal to the Economic Summit Conference for consideration as a basis for Federal economic action to deal with the deepening economic difficulties. A copy of the proposed agenda is attached, together with the remarks which I made in presenting it to the Conference.

May I take this opportunity, Mr. President, to congratulate you on your initiatives as President with regard to the convening of the Economic Summit. We have heard through the Senate participants in this highly significant undertaking that the meetings are proceeding very well and producing much in the way of discussion that should be useful.

Speaking for the Senate Democrats, I want to say most respectfully that we share your sentiments with regard to the critical economic situation which confronts the nation. I want to assure you that the Senate Majority is ready and willing to cooperate with you in every possible way in dealing with this problem.

For that reason, as you will see from the enclosed statement, it is the present intention of the Joint Democratic Leadership of the two Houses to recess in mid-October and reconvene shortly after the election. In that manner, Congress will be on hand in November to proceed with a tax bill which will at least provide some relief for the hard-pressed low and moderate income groups and a national health insurance bill which, as you noted, is needed without delay. We will also be ready and willing to consider then, as we are now, on the basis of urgency any measure which you may wish to submit to the Congress or which may otherwise be generated which is designed to arrest the inflation and counter the recession.



The President

2

September 12, 1974

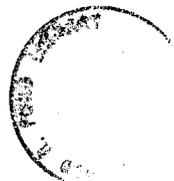
As I am sure you are aware, the serious economic situation is producing a rising level of anxiety in the nation. It seems to me incumbent on both Branches, the Executive and the Legislative, to stay with this problem until it is resolved.

With warm personal regards.

Most respectfully,

A handwritten signature in black ink, reading "Mike Mansfield". The signature is written in a cursive, flowing style with a large, sweeping flourish at the end of the name.

Enclosures



PROPOSED AGENDA FOR AN ANTI-INFLATION, COUNTER-RECESSION PROGRAM
(Adopted by the Senate Democratic Conference in Caucus on
September 12, 1974)

1. A budget policy that recognizes that budget cuts are not a cure-all for inflation and assures that reductions in Federal spending which are designed to mitigate the impact of inflation are focused primarily on wasteful and unneeded expenditures;
2. A wage-price-profit policy effectively designed and equitably administered to relieve unreasonable price-wage pressures;
3. An eased monetary policy that stimulates badly needed monetary relief in certain hard-pressed economic sectors such as housing;
4. A tax policy which assures that no segment of the economy will enrich itself by capturing excessive profits during the present period of economic hardship and recognizes that special relief must be accorded to those hit hardest by inflation--those in low and moderate income categories and those on modest fixed incomes;
5. A far-sighted policy relating to shortages and supplies and adequate machinery which will stimulate research and resources development, recovery, recycling and conservation;
6. An employment policy, with related measures which are designed to offset the human hardship of recession; and
7. International economic policies which recognize fully the critical inter-relationship of the American economy with the economies of other free nations.



REMARKS OF SENATOR MIKE MANSFIELD (D., MONTANA)

AT THE

SENATE DEMOCRATIC CONFERENCE

Thursday, September 12, 1974, Room S-207, U. S. Capitol, 9:30 A. M.

This meeting has been called because it seems to me that the times require continuing contact of this kind. We are in a period, obviously, of rapid, if disparate, developments, all of which bear close watching. There are, for example, the declining state of the economy, continuing repercussions of Watergate, the evolution of major legislation, to state just a few. The Leadership needs to communicate to you whatever awareness we have of these matters and get from you your reactions, observations and initiatives.

The Joint Senate-House Democratic Leadership convened yesterday morning to consider the legislative program for the balance of the year. The meeting was also attended by Congressman Wilbur Mills and Senator Russell Long, in whose respective committees some of the principal remaining items are centered. The Legislative program, on the whole, is in excellent shape. A tentative recess for mid-October, therefore, was reaffirmed and the expectation was expressed that by then the Rockefeller nomination and the trade bill will have been disposed of by the Congress. Additionally, Chairman Mills announced the intention of completing a proposed tax bill in the House and Chairman Long indicated that he would make every effort to clear a proposed national health bill in the Senate before an election recess. Present Leadership plans call for the reconvening of Congress shortly after the election at which time every effort will be made to complete action on these two proposals.



The main focus of the Senate-House Leadership meeting on yesterday was on the serious state of the economy. You will recall, that a resolution proposed by Senator Haskell at our last conference asked the Policy Committee to review the possibility of setting forth a Senate, a Congressional or a party program to deal with the problems of the economy. It was thought that such a program might be forwarded through the Senate representatives to the economic summit conference for consideration there or, if that did not prove efficacious, advanced separately from here.

Pursuant to the instructions of this Conference, the Policy Committee met on the issue on Tuesday. The discussion which ensued was very preliminary and designed only to gauge the prospects of delineating the broad areas of relevance which would be involved in an anti-inflation, counter-recession program. We sought to determine, too, the possibility of obtaining sufficient agreement in the Policy Committee, which is highly representative of the Majority Conference, on particular courses of economic action. I think the view was unanimous that while it will be helpful to try to order our thinking in this fashion, we ought not to anticipate a great deal in the way of agreement on specifics at this point. How complex this problem is and how many alternative approaches there are is already evident from reports on the economic summit meeting.



The essential value of the Policy Committee discussion of the question, I think, was that it served to illuminate, at least, the major areas of relevance which any integrated economic program is likely to encompass if it is going to begin to meet the devastation being wrought today in the nation by inflation and recession.

As we probed these areas in a preliminary way, it became clearer that any attempt to reach democratic, Senate or Congressional positions should be undertaken in the context of the Senate-initiated and Presidentially-encouraged Economic Summit Conference. As you know, the Summit has proceeded in a fully bipartisan and impartial fashion. Joined in those discussions are Democrats, Republicans and Independents. In due course, I want to call on the Senators here who have been participating in the discussions for reports on their experiences to date. I would point out, too, that the twin plagues of inflation and recession are impartial and non-partisan and as far as possible we ought to fashion our response to these economic ills in similar tones.

Nevertheless, it was agreed in the Policy Committee that the Haskell resolution was very valuable in enabling us [REDACTED] to begin to identify those areas to which an effective agenda of federal economic action for the nation, whether it be designed at the Summit Economic Conference or anywhere else must be directed. Such an agenda, I should think, would include measures directed at the following:



1. A budget policy that assures that reductions in Federal spending are designed clearly to mitigate the impact of inflation, with prime attention focused on wasteful and unneeded expenditures. May I add that on its part, the Senate has already effected cuts of \$6 billion in the Executive's request for appropriations this year and it is expected that Congress will cut between \$7 and \$8 billion from appropriations requests after it completes work on these funding bills within the next month;

2. A wage-price-profit policy effectively equipped to relieve unreasonable price-wage pressures and equitably administered;

3. An eased monetary policy designed to stimulate badly needed monetary relief in certain hard-pressed economic sectors such as housing;

4. A tax policy designed to assure that no segment of the economy will enrich itself by capturing excessive profits during the present period of economic hardship and recognizing that special relief must be accorded those hit hardest by inflation--those in low and moderate income categories and those on modest fixed incomes;

5. A far-sighted policy relating to shortages and supplies and adequate machinery to stimulate research and resources development, recovery, recycling and conservation;

6. An employment policy and related measures designed to offset the human hardship of recession;

7. International economic policies that recognize fully the critical inter-relationship of the American economy with the economies of other free nations. As you know inflation and recession are not confined to this nation and they are not likely to be overcome in a vacuum by any nation--not, at least, without bringing down the whole structure of international stability.



Let me conclude these remarks with this observation. I believe-- and in this I think all of us would concur--that the people of the nation sense that sacrifice is inevitable in the situation which confronts us today. I do not think I misjudge, however, when I say that the people are prepared to make sacrifices. What the people will not tolerate and what we in government should not ask them to tolerate is inequity in the demands for sacrifice. As the Senate reviews the various proposals regarding the issues of the economy--those generated by the Summit and others-- I would hope that we will do so with a full awareness that it is essential that those who can do more will be asked to do more and those who cannot will not be pressed by federal policies to do what they cannot. The job of government, at this time, the job of the President and the Congress, is not to put off the asking of the essential sacrifices; it is to insist that insofar as it lies within our power and wisdom the essential sacrifices will be equitably borne in this nation.



September 11, 1974

STATUS OF APPROPRIATIONS, 1975

ENACTED:

D.C. - Public Law 93-405
Energy Research and Development - Public Law 93-322
HUD - Public Law 93-414
Interior - Public Law 93-404
Legislative - Public Law 93-371
Public Works - Public Law 93-393
Transportation - Public Law 93-391
Treasury-Postal Service - Public Law 93-381

IN CONFERENCE:

Defense
State-Justice-Commerce

PASSED HOUSE ONLY:

Labor-HEW -On Senate calendar - Will debate on 9-16

AWAIT HOUSE ACTION:

Agriculture - Vetoed bill referred to committee
Foreign Aid - Await authorization
Military Construction - Await authorization

STATUS OF UNFINISHED BUSINESS - 93D CONGRESS

IN CONFERENCE:

Appropriations: Defense - Conferees meet tomorrow
State-Justice
Amtrak Authorization
Campaign Financing
Duty Suspensions with Tax Amendments
Energy Research & Development
Energy Transportation - House conferees unnamed
ERDA
Export Control - House conferees unnamed
Federal Deposit Insurance
Fire Prevention Control - Conf. rept. filed
Health Services - House conferees unnamed
Indian Claims Commission - Await House committee action
Mass Transit (S. 386 in conference; H.R. 12859 P/H)
Military Construction Authorization
Motor Vehicle Safety
Nuclear Incidents and Technology Agreements - Conf. Repts. filed
Strip Mining
State Authorization - House conferees unnamed
Welfare Reform - No action expected
Toxic Substances Control - No action expected
White House Personnel - Conf. Rept. still disputed

AWAIT HOUSE ACTION:

Appropriations: Agriculture - Vetoed bill referred to H. Cte.
Foreign Aid - Await authorization
Military Construction - Await authorization

Land Use Planning - P/S; House markup in progress
National Health Insurance - In House Ways & Means Cte.
No-Fault Auto Insurance - P/S; House completed hearings
Tax Reform - Ways & Means Cte. meeting this week on draft leg.

ON SENATE CALENDAR:

Consumer Protection Agency - P/H; 4th Cloture vote on 9/19
Deep Water Ports - P/H; Commerce Committee ordered reported
Export-Import Bank Authorization
Foreign Aid Authorization

NEED SENATE COMMITTEE ACTION:

Appropriations: Labor-HEW - On Senate calendar; S. will debate 9/16
Amnesty - Hearings not yet scheduled
Broadcast License Renewal - P/H; Senate hearings in progress
OEO Authorization - Hearings in progress
Rockefeller Nomination - Hearings scheduled
Trade Reform - P/H; in executive markup in Finance Committee

THE WHITE HOUSE

WASHINGTON

October 2, 1974

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: WILLIAM E. TIMMONS
FROM: JERRY H. JONES
SUBJECT: Senate Democrats

Your memorandum to the President of September 30 on the above subject has been reviewed and the following notation was made:

-- I agree.

cc: Don Rumsfeld